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SIPDIS

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STATE PASS TO USAID, NEA/ARP FOR JACKSON

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [EAID](#) [KU](#)

SUBJECT: YEMEN: MFA SAYS KUWAITI AID PLEDGE "APPROPRIATE"

REF: NEA/ARP-EMBASSY KUWAIT EMAIL

¶1. (SBU) As requested reftel, Econcouns met with MFA Director of Arab Affairs Jassem Al-Mubarakhi November 21 to thank the GOK for its support to Yemen during the November 15 Yemen Donors Conference in London (note: Kuwait pledged USD 200 million in loans to Yemen, to be administered by the Kuwait Fund over a five-year period). Al-Mubarakhi said he was aware of grumbling within some quarters in Yemen that Kuwait's pledge was "too small." Al-Mubarakhi wanted to be clear that the reason Kuwait did not pledge more was not for political reasons but because the GOK did not believe Yemen had the capacity to effectively absorb more funding. He said the GOK shared the same concerns about Yemen that the Millennium Challenge Corporation had noted. Until Yemen demonstrated it could tackle corruption and make progress on reform, Kuwait was wary of providing more assistance. Kuwait's funding commitment in London was a decision based on economics, Al-Mubarakhi insisted, not politics. Al-Mubarakhi said he had underscored this point the previous week with senior Yemeni officials, including Dr. Iryani, on the margins of a conference in Dubai.

¶2. (SBU) That said, Al-Mubarakhi said the relationship between Yemen and Kuwait was "normal" but not especially warm. Kuwaitis have not forgotten Yemen's refusal to stand by Kuwait during the first Gulf War, he said. Yemen opposed any action by the UN that "offered Kuwait light at the end of the tunnel" during the Iraqi invasion.

¶3. (SBU) In a separate conversation the same day, MFA Director of International Organizations Mansour Al-Awadhi commented to Econcouns that Kuwaiti aid to "both Yemens" had been very generous over the years, and that Kuwait was one of few Arab countries that had good relations with both North and South Yemen. "Practically every village in Yemen has at least one project that was funded by Kuwait," he claimed. Kuwaiti assistance to Yemen stopped after the Gulf War but resumed in 2000, he said.

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LeBaron